

Economy: Faster recovery expected in 4Q

2Q figures likely this month

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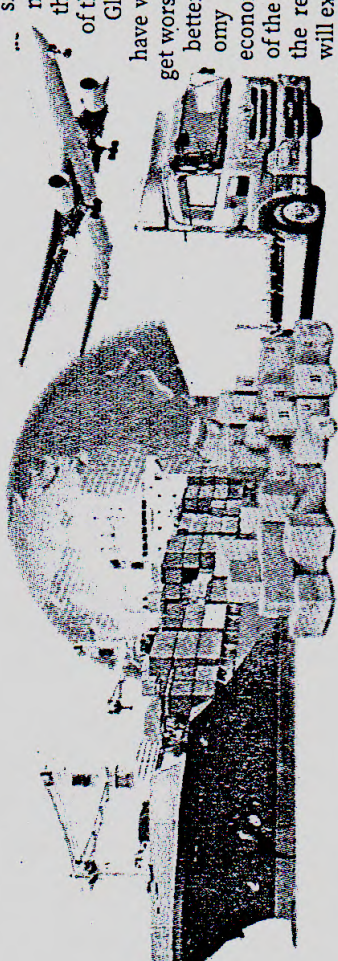
The report on the second quarter performance of the GDP is likely to be released by the end of this month, a senior official of the Department of Census and Statistics (DCS) told *Sunday Observer Business* on Friday.

The data on the quarterly performance of the GDP is released 75 days after the issuance of the last quarter results.

"We are in the process of finalising the data obtained from various institutions and most likely the final figures will be released by the end of this month," said DCS Director General Dr. Indu Bandara.

The quarterly performance of the economy is presented through the DCS website while the annual performance is issued through hard copies to institutions. Data for the compilation of the reports are obtained from over 250 organisations that contribute to the GDP of the country. The release of the first quarter results was delayed due to the situation that prevailed in the country following the outbreak of the pandemic in March.

It was speculated that the reason



economies including those of advanced countries had contracted sharply recording negative growth in the first two quarters of this year.

Global think tanks have warned things would get worse before it could get better for the global economy as most advanced economies are not yet out of the woods. Meanwhile, the regulator said that it will expedite work on consolidation of weak financial institutions to restore stability in the financial sector.

"We have identified institutions that need support and we hope to merge them with stronger institutions soon," said Central Bank Governor Prof. W.D. Lakshman who was in the North over the weekend to discuss issues pertaining to micro lending institutions and debt repayment of borrowers.

The regulator warned stern action against registered micro credit institutions who try to fleece on hapless borrowers and exert undue pressure on repayment of loans. Over 175 micro credit customers particularly in the North had committed suicide due to undue pressure exerted by micro lenders to repay loans.

the quarterly results of the GDP. However, clear indications are that GDP growth during the second quarter will be negative due to the impact of the pandemic. On the growth forecast for the year, Central Bank officials said it was too early to predict the overall GDP growth for the year as much depended on the third and fourth quarter performance which is likely to improve with imports declining, an up-tick in exports and an improvement in foreign remittances.

The Central Bank said that it expects a faster recovery of the economy during the fourth quarter due to the political stability in the country and growth stimulation measures of the Government. The GDP of most

for the delay was due to the negative growth rate during the first quarter.

The economy contracted by 1.6 percent in the first quarter this year contrary to the expectations of the Central Bank which speculated a higher growth rate.

The blame for the unsatisfactory performance of the GDP was put on the global pandemic while economists and think tanks said it was not fair to pass the buck on the pandemic and wash the hands as barely 10 days of the virus had affected the country during the first quarter.

Central Bank officials at the last monetary policy review media briefing said the bank would hold discussions with DCS before the release of